

Treasury Notes



OFFICE OF THE STATE TREASURER OF WISCONSIN

Volume 1, Issue 8

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The Big Board

<u>Local Gov. Investment Pool - August 2011</u>		<u>Unclaimed Property (numbers approx.)</u>	
\$3,004,760,306	Avg. Daily Balance		<u>August 2011</u>
\$831,192,647	Total Deposits	\$382,261,669	Program Value
\$1,434,380,717	Total Withdrawals	1,770,422	Number of Accounts
\$273,982	Interest Earnings		
<u>College Savings Plan—August 2011</u>		\$1,889,946	Claims Paid August 2011
1,969	New Accounts	3472	Claims August 2011
262,893	Total Accounts		
\$2,601,458,457	Program Value	\$21,929,699	Amount in Claims Paid (since start of 2011)
<u>Board of Commissioners of Public Lands</u>		18,930	Number of Claims Paid (2011)
<u>(numbers approx) - August 2011</u>			
\$840,000,000	Assets or Principal	\$3,403,201	Amount Remitted from Holders (2011)
76,260	Acres under Stewardship	1,837	Holder Reports (2011)
\$100.9 million	Aid to Public School (2008-2011)		

The State Treasurer of Wisconsin and his dedicated staff continues its duties of finding thousands of residents who are owed millions of dollars in unclaimed property. We will also continue to update the public on the Local Government Investment Pool as well as *EdVest*, and the importance of saving early for your child's education. The Treasurer will also continue his constitutional duties as a Commissioner on the Board of Commissioners of Public Lands.

T-Notes is a newsletter provided to Legislators, their staff and the Media to provide them with information regarding this office and the important work the staff of Office of State Treasurer does daily for the citizens of the state.

56 Days, 5 Fairs, \$500,000

Over the last 8 weeks, several members of my staff and I had the pleasure of taking the Unclaimed Property program on the road to 5 great Wisconsin fairs. We had the opportunity to see Wisconsin in the summertime, take part in some great

local traditions, and best of all, return approximately half a million dollars to Wisconsinites.

Whether we were in Chippewa Falls, Seymour, Milwaukee, De Pere, or Marshfield, my staff and I were

always welcomed by Wisconsinites eager to see if they could find their name among the 1 million + records in our database.

If I didn't get a chance to see you at the fair, don't worry; my staff and I are

already working on getting more UCP events on the calendar in late September/October! Our next stop will be the 50th Bayfield Apple Festival October 7-9. For more info visit www.bayfield.org/

The Economy & You: What is GDP?

**“GDP IS THE
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As I had written about in earlier articles found at my WordPress Blog, there are three main indicators used to measure the health of our economy: unemployment, inflation, and output growth or gross domestic product (GDP). Gross Domestic Product (GDP) is the broadest measure of economic activity and is often considered the best measure of the health of the economy. It represents the total dollar value of all goods and services produced in the country over a specific time period - you can think of it as the size of the economy.

GDP can be calculated in two different ways. While GDP can be calculated as the total amount of income of everyone in the economy (the income method), most view GDP as the total amount

spent on the goods and services created by the economy (the expenditure method). GDP is computed every quarter by the Bureau of Economic Analysis which is a part of the U.S. Department of Commerce. Presented only quarterly, GDP is most often presented on an annualized percent basis. Annualized quarterly percent changes in GDP reflect the growth rate of total economic output which can fluctuate greatly from quarter to quarter. Usually, GDP is expressed as a comparison to the previous quarter or year. As an example, if the year-to-year GDP is up 5%, this is thought to mean that the economy has grown by 5% over the last year.

In calculating the GDP, data is taken from various sources and summarized into a single

number that can represent the total dollar value of economic activity within those three months that are being measured. Most of the individual data sets being used in the calculation will be given in real terms, meaning that the data is adjusted for price changes, or inflation.

Many use GDP as a measurement of a country's standard of living on the rationale that all citizens benefit from their country's increased economic production. Still, GDP is intended to be a measure of a nation's total economic activity which is a separate concept. I will write about the U.S. GDP and how it compares with other nations in a future article. Find it at www.wistatetreasury.wordpress.com.

Getting Everyone On Board the Compliance Train

By Mary Celentani
Unclaimed Property Unit Manager

One of the Treasurer's responsibilities is to ensure that all Wisconsin businesses are in compliance with the unclaimed property law and reporting requirements. Unfortunately, many corporate entities and sole proprietors are not aware of the reporting requirements and may rely on their professional consultants, such as attorneys or certified public accountants, to ensure compliance in government-related reporting matters.

With all the recent national coverage of unclaimed property outreach efforts and activities, Treasury staff members have been contacted by corporate compliance officers, CPAs, accounting firms and law

offices asking for assistance in helping their clients get into compliance with unclaimed property laws.

The Treasury is taking a few steps to help explain the unclaimed property law and reporting requirements. The Treasury already has a "2011 Holder Reporting Guide" and the Unclaimed Property Statutes available on our website. Postcards were sent to over 13,000 medium to small Wisconsin businesses in late spring to increase awareness at the corporate level. In addition, Treasury staff members have been focusing on identifying businesses that are the owners of unclaimed property, and sending claims and postcards to demonstrate the mutual benefits of all Wisconsin businesses complying with the law.

Shannon Churchill, the Treasury's

Holder Reporting Coordinator will be featured in a website video explaining the importance of compliance, how to use the reporting software options, and the annual reporting deadline. Step-by-step video instructions for use of the web-based UPEXchange software will also be available on our website next month.

Also being planned for later this year are live webinars featuring Treasury staff, unclaimed property experts and reporting software representatives to answer questions from the business community. Invitations will be sent to CPAs and law firms with a high volume of corporate clients. If you would like to participate in the webinars, please contact Shannon at (608) 264-6997 or Shannon.Churchill@wi.gov.

Ask OST: How Long Do I Have To Claim My Funds?

By Kelly Olmstead
Unclaimed Property Examiner

There is no time limit for claiming the majority of unclaimed properties. The Office of the Wisconsin State Treasurer holds the funds until the rightful owners are located. There are, however, three types of property that should be acted upon as soon as possible.

FDIC – Funds turned over by the Federal Deposit Insurance Corporation (FDIC) have a time limit of ten years. These funds are generally bank accounts from banks which have gone bankrupt. After ten years the unclaimed funds are

returned to the FDIC and become un-claimable.

Stocks – The Treasury only holds onto shares of stock for two to three years. After that the stocks are sold and the proceeds of the sale are held in the owner's name. While the funds from the sale are held until the rightful owner is found, the sale may occur when the stock is underperforming, as happened to stocks sold in late 2008. It is

advisable to claim shares of stock as quickly as possible. **Safe Deposit Boxes** – After safe deposit boxes have been dormant at the bank for five years they are turned over to the Treasury. The Treasury then holds the contents of the boxes for an additional two to three years. Because we have limited storage capacity, the contents are sold or destroyed after that period if the owners cannot be located. Contents with no commercial value (including most paper items) are destroyed; contents with commercial value are put up for auction in our monthly eBay auctions, with the proceeds then held under the original owner's name.

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EdVest Savings Plan Comes With Handy Tools

Just like Swiss Army knives that have scissors, screwdrivers, and saws along with sharp blades, EdVest and other 529 college savings plans incorporate a variety of tools to help families save for higher education.

The tax rules make these accounts very flexible, along with giving investors choices of actively-managed or passive index funds, plus money markets and CDs. For example, if a child decides to delay going to college, the money saved in the account may be transferred to a sibling or other family member and still keep the tax-deferred status. Or if the student is lucky and receives a full scholarship, the account is free to withdraw without taxes on growth.

Even while living in Wisconsin, EdVest accounts may be used for allowable expenses at nearly every university, technical college, graduate or professional school in the country. Many foreign schools also participate. “One of my neighbor’s kids just left for McGill University in Canada, and is using EdVest savings,” said Jim DiUlio, the director of Wisconsin’s 529 College Savings Program. He also notes that payments have gone to South American and European colleges, too.

Earlier in the cycle, families often start saving monthly through withdrawals from a bank or credit union account. EdVest lets you pick the day (or two) each month for the transfer, which can be as little as \$15. Some families also

add lump sums to accounts, such as birthday money or gifts from relatives. Special rules apply to gifts in excess of \$13,000 a year, so it’s best to seek professional advice in those situations. Account statements and other information can be delivered by conventional mail or electronically, depending on your preference.

To learn more about EdVest, visit www.edvest.com. If you would like to speak to an EdVest Specialist, call our 24-hour call center 1-888-EdVest-WI (1-888-338-3789). And now, follow Edvest on Twitter! Find us [@EdVestWI529!](https://twitter.com/EdVestWI529)

As part of consumer education during College Savings Month, a different fact about 529 plans such as EdVest is highlighted each day in September. Sponsored by the College Savings Plan Network and the National Association of State Treasurers, you can read the daily message and other information at: www.collegesavings.org.



Treasury Notes

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The State Treasurer is tasked with managing nearly \$400 million in Unclaimed Property and is also a Commissioner on the Board of Commissioners of Public Lands. He is also an avid promoter of Wisconsin's College Savings Plans and the Local Government Investment Pool.

Unclaimed Property: The office maintains custody and records for all property received under the uniform unclaimed property act and general escheat laws. Those with unclaimed property submit proper paperwork and examiners work to get their money back to them as quickly as possible.

Wisconsin's "529" College Savings Plan: Known as EdVest. The funds are managed by Wells Fargo Funds Management, LLC. You can open an account on behalf of a designated beneficiary and the earnings will grow state and federal tax free until the time the beneficiary is ready to continue their post-secondary education including two and four-year colleges, technical, vocational, and graduate schools. Wisconsin residents can claim up to a \$3,000 credit on state taxes per account.

The Local Government Investment Pool: This program allows local government entities to pool funds with state funds which are then invested by the State of Wisconsin Investment Board. Funds deposited in the pool are available for withdrawal on one day's notice and without penalty on interest earnings. Interest is credited to the local government accounts monthly. Average daily balance in the pool now exceeds \$3.1 billion.

For questions about "Treasury Notes", please email Ron Giordan, Community Services Specialist at ron.giordan@wisconsin.gov or call Ron at 608-266-5757.

Treasurer Schuller on Twitter

Excerpt from a column written by
Robert Mentzer of the Wausau Daily
Herald

A lot has been made of Schuller's promise to get rid of the office of state treasurer.

Although there nominally is a bipartisan consensus to eliminate the job, it is unusual for the guy running for the office to be the one making that case.

I am more interested in a different campaign promise of Schuller's: to "observe from Madison the behind-the-scenes, backroom dealings at the Capitol and bring them out into the light of day through my personal blog."

Most politicians use Twitter to post anodyne messages about how excited they are to be at

this or that picnic or parade. Schuller jumps into partisan brawls about everything from union work rules to health care reform.

"I consider (my Twitter posts) a way of informing my constituents of how I feel, what I think," he said. "In that regard, I believe I'm keeping my constituents informed."

He's also unlike most other politicians online in that he is willing to interact with other users on Twitter, frequently retweeting other people's posts and joining in conversations. I asked Schuller whether the Madison-insider perspective he imagined he'd gain when he wrote his campaign pledge has turned out to be not quite as, er,

insiderly as he expected. He said he hasn't found as much to disagree with in GOP-dominated Madison as he might have under other circumstances.

But he also allows that despite being elected, he still might not have exactly attained insider status.

"I don't think the entrenched Republican establishment knows what to make of me," he said.

— read the whole column
at
www.wausaudailyherald.com